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**TECHNICAL COOPERATION IN SUPPLY
MANAGEMENT DEVELOPMENT**

*Techn
assistance*

Agreement Between the
UNITED STATES OF AMERICA
and SAUDI ARABIA ✓

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input
1/8/81, vi

*Materials
management*

Signed at Riyadh July 13, 1978

Rev 1/12/81 GB
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NOTE BY THE DEPARTMENT OF STATE

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SAUDI ARABIA

**Technical Cooperation in Supply Management
Development**

*Agreement signed at Riyadh July 13, 1978;
Entered into force August 10, 1978.*

Project Agreement
Between
The Government of the United States of America
and
Government of the Kingdom of Saudi Arabia
for
Technical Cooperation
in
Supply Management Development

Article I. SCOPE

This Project Agreement to be implemented by the Ministry of Finance and National Economy of the Kingdom of Saudi Arabia (hereinafter referred to as MFNE) and the General Services Administration and the Department of the Treasury of the United States (hereinafter referred to as GSA and Treasury, respectively) sets forth arrangements for cooperation in providing technical specialists and advisors to MFNE in order to implement the recommendations outlined in GSA's report of 1977 entitled "Study of Procurement Operations in the Ministry of Finance and National Economy" and set forth in Attachments I, II and III of this Project Agreement.

Article II. AUTHORIZATION

The project will be carried out under the auspices of the United States-Saudi Arabian Joint Commission on Economic Cooperation (hereinafter referred to as Joint Commission) and in accordance with the provisions of the Technical Cooperation Agreement between the Governments of the United States and Saudi Arabia signed on February 13, 1975,¹ which is hereby incorporated by reference and becomes a part of this Agreement.

Article III. PURPOSE AND OBJECTIVES

The purpose of the project is to provide certain technical and advisory staff to assist MFNE in establishing within its central supply operation capabilities in cataloging items of supply, preparation of specifications and development of standards for use in a procurement system within its central supply.

¹ TIAS 8072; 26 UST 880.

The broad program objectives are: (1) to assist in the development of a central supply system; (2) to provide technical advice in developing guidelines and procedures for operating the system; (3) to evaluate existing MFNE purchasing and warehouse manuals; and (4) to train Saudi personnel in the principal methods, techniques and functional responsibilities necessary for the management and administration of a centralized supply system.

Article IV. SERVICES TO BE PERFORMED

A. GSA will provide such training and advisory services as will assure the establishment of a centralized supply management and procurement system in accordance with Attachments numbered I, II and III of this Agreement. These attachments set forth schedules, the lengths of time designated, the scope and objectives of designated activities, the number of personnel and the procedures for implementation. These may be amended as mutually agreed.

B. GSA will act in an advisory capacity in assisting MFNE in selecting Saudi personnel to attend training courses given by GSA and to take part in the technical and professional monitoring of the project.

C. GSA will provide advice to MFNE concerning any need for private sector participation in the services described in Attachment I of this Agreement.

Article V. REPORTS

A. GSA in collaboration with Treasury, will prepare and transmit to MFNE periodic reports covering the status and progress of the project as well as any area of concern. These reports will include recommendations for adjustment or changes in the project.

B. To the extent permitted by U.S. law, GSA and Treasury will, upon request of MFNE, keep confidential any information or data provided to them by MFNE or generated as a result of the activities pursuant to this Agreement.

Article VI. COORDINATION

Overall coordination of the technical cooperation project with other Joint Commission activities of the United

States Government and provision of certain administrative facilities and support for the project will be the responsibility of Treasury. The Office of the Joint Economic Commission in Riyadh (JECOR) will provide a communications link between the MFNE on one hand and GSA and Treasury on the other concerning the project. JECOR will facilitate activities under this Agreement and will monitor the implementation of this Agreement in Saudi Arabia.

Article VII. LOCAL SUPPORT

MFNE shall, either directly or through other Saudi Arabian agencies, support this technical cooperation project by:

- A. Designating an appropriate MFNE official as a counterpart for the GSA Project Director, described in Attachment 1.
- B. Identifying and providing other appropriate counterpart personnel as specified in Attachment II.
- C. Assuming responsibility for the selection of trainees and working with GSA to evaluate and revise training programs.
- D. Providing available data and other information which may be needed by GSA to fulfill its obligations under this Agreement.
- E. Providing adequate office space, office furnishings, utilities, telephone facilities, and maintenance and upkeep of such office space for each GSA employee assigned to Saudi Arabia pursuant to this Agreement; and providing such supplies and materials as may be required for official project duties.
- F. Providing funds for the purchase of all the equipment needed for project implementation as mutually agreed with the GSA. Attachment III outlines anticipated nonexpendable items for implementation of the project, exclusive of those required for other ministries.
- G. Providing services, when necessary, to obtain clearance in matters including, but not limited to, customs, driver permits, and other services that may involve other agencies of the Government of Saudi Arabia.
- H. Providing interpreter and translator services as needed.

I. Providing other job-related support as may be appropriate to the conduct by the GSA employees of their official advisory or other duties including adequate secretarial and clerical assistance; and

J. Agreeing to such further support for this project as shall be appropriate to insure its accomplishment.

Article VIII. FORCE MAJEURE

If any party to this Agreement is rendered unable, because of force majeure, to perform any of its responsibilities under this Agreement, these responsibilities shall be suspended during the period of continuance of such inability. The term "force majeure" means acts of God, acts of the public enemy, war, civil disturbances, and other similar events not caused by nor within the control of the parties. During the period of suspension of performance caused by force majeure, GSA and Treasury may continue to pay normal costs of maintaining project personnel in Saudi Arabia from funds advanced to the United States by the Government of Saudi Arabia. In the event of suspension of a party's duties because of force majeure, the parties shall consult and endeavor jointly to resolve any attendant difficulties.

Article IX. ESTIMATED COSTS

A. Formal budgets will be submitted to MFNE by year. The total cost of the advisory services and related procurement expenses to be provided by GSA described in Attachments I through III for the first two years of the project is estimated to be U.S. \$1,334,000. This estimate covers the following expenses:

Personnel Compensation and Benefits	U.S. \$ 450,000
Travel and Transportation	120,000
Housing and Related Expenses	370,000
Other Expenses	305,000
Equipment	19,000
Local Staff	30,000
TDY Assistance	<u>40,000</u>
Total Project Cost	\$1,334,000

B. GSA may, within the total of the approved budget, transfer funds between line items as necessary. Final Costs for equipment and services will cover only actual goods purchased and services provided.

C. GSA shall provide periodic reports through Treasury concerning the use of funds spent under this Agreement.

Article X. DOLLAR TRUST FUND

The Government of Saudi Arabia agrees to deposit in the dollar trust account in the United States Treasury established by the Technical Cooperation Agreement, the sum of U.S. \$1,334,000 to cover the estimated costs for the time period described in Article IX above.

Article XI. EFFECTIVE DATE

A. This Agreement shall enter into force upon the deposit by the Government of Saudi Arabia of the sum described in Article IX above,^[1] and shall remain in effect until terminated by the parties hereto in accordance with paragraph 3 below or the termination of the Technical Cooperation Agreement of February 13, 1975, whichever shall occur first.

B. This Agreement may be amended, supplemented or extended by the mutual written consent of all parties.

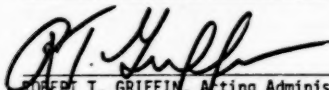
C. This Agreement may be terminated at any time at the discretion of either Government, upon sixty (60) days written notice.

D. All questions related to this Agreement arising during its term shall be settled by the parties hereto by mutual agreement.

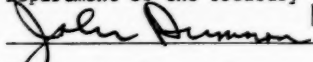
This Agreement is signed this 13th day of July 1978.

UNITED STATES OF AMERICA

General Services Administration

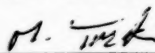
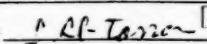

ROBERT T. GRIFFIN, Acting Administrator
Date: July 13, 1978

Department of the Treasury


Date: ^[2]

KINGDOM OF SAUDI ARABIA

Ministry of Finance and
National Economy


Date: 11-12-1978 ^[3]

Date: ^[4]

¹ Aug. 10, 1978.

² John Hummon.

³ M. Al-Turki.

⁴ A. Al-Tassan.

Attachment I

Activity Implementation Plan
Supply Management Project

I. PURPOSE

The purpose of this activity is to provide technical and professional staff to assist MFNE in developing and carrying out a centralized supply management program.

II. OBJECTIVES

Consistent with its purpose, the specific objectives for this activity are:

A. To assist in the development and maintenance of a centrally controlled standard technical research system for material cataloging, codification, classification and specifications.

B. To assist in the production and maintenance of catalogs of material used by ministries and departments, adapting applicable elements of Federal Supply Classification system to local needs.

C. To assist in the establishment of a centrally controlled standard system for procurement; supply and property management.

D. To cooperate with the Saudi Arabian Government computer facility and ensure that maximum use is made of its data processing capabilities in the execution of this activity.

E. To train Saudi colleagues in the skills and techniques necessary to carry out the responsibilities of supply management.

III. PROCEDURES

The implementation of this activity will occur in two phases:

A. Phase I - Cataloging, Classification and Standardization

1. The Project Director and one (1) Technical Specialist will be assigned as soon as possible for a period of two (2) years.

2. Additional short-term assistance will be provided as requested and mutually agreed.

B. Phase II - Procurement and Supply

1. A Supply Specialist will be assigned for a period of two (2) months to review and evaluate existing procurement and property management training courses with a view to infusing additional methods.

2. A Procurement Specialist will be assigned for a period of two (2) months to review, evaluate and recommend changes to the present procurement manual.

3. A Supply Specialist will be assigned for a period of two (2) months to review, evaluate and recommend changes to the present warehouse manual.

4. One (1) Procurement Specialist and one (1) Supply Specialist will be assigned as recruited for a period of two (2) years to assist in the establishment of a central procurement and supply management operation. This assignment will be made approximately four (4) months after the assignment of the Project Director.

5. Additional short-term assistance will be provided as requested and mutually agreed.

IV. PERSONNEL RECRUITMENT

A. It is estimated that the staffing requirements for two (2) year assignments will be as follows:

1. A Project Director
2. One (1) Technical Specialist
3. One (1) Supply Specialist
4. One (1) Procurement Specialist

B. It is estimated that the staffing requirements for special assignments for period of two (2) months will be as follows:

1. One (1) Supply Specialist
2. One (1) Procurement Specialist
3. One (1) Supply Specialist

C. Staff requirements as listed in "A" and "B" above, and any additional personnel requirements will be assigned as mutually agreed.

Attachment II

Activity Implementation Plan

Supply Management Project

	FIRST YEAR				SECOND YEAR			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<u>PHASE I</u>								
Project Director								
Technical Specialist								
<u>PHASE II</u>								
Supply Specialist (Training Courses)								
Supply Specialist (Procurement Manual)								
Supply Specialist (Warehouse Manual)								
Supply Specialist (Procurement)								
Supply Specialist (Supply)								

2 months TDY

Attachment III

Anticipated Equipment Needs

1. Microfiche Reader Printer, 1 to 48,220 volts, 50 cycle
2. Microfiche Viewer, Desk size, 12" x 15" screen
3. Microfiche Viewer, Portable 8" x 10" screen
4. Office Furniture and Supplies